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2010 MMA Rice Tender Results

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Report Highlights:

Korea's commitments on rice imports under the 2010 WTO's Minimum Market Access (MMA) system expanded market access opportunity for U.S. rice suppliers. In addition to the U.S Country Specific Quota of 50,076 MT, the United States successfully supplied 43,643 MT or 33 percent of the total Global Quota of 131,113 MT. The U.S. share of the 2010 MMA was 28.6 percent with contracts valued at \$83 million.

General Information:

The 2010 MMA tendering process was completed at the end of December 2010. Korea purchased a total of 327,311 metric tons (MT) of rice from the United States, China, Thailand and Pakistan. The U.S. share was 28.6 percent, with contracts totaling 93,719 MT (milled), worth \$83 million. The bulk of the U.S. contracts, roughly 69,000 MT, were for brown rice and the remaining 31,537 tons were for milled rice.

In addition to the U.S. Country Specific Quota (CSQ) of 50,076 MT, the United States successfully supplied 43,643 MT or 33 percent of the total Global Quota (GQ) of 131,113 MT, followed by China (42,411 MT or 32 percent), Thailand (40,347 MT or 30 percent) and Pakistan (4,712 MT or 3 percent) on a milled basis. The Australian government announced that it would not fulfill its CSQ obligation due to years of consecutive severe droughts. As a result, the Korean government converted the Australia CSQ into GQ at tendering opening in October 2010. The United States and Pakistan were awarded the reallocated global quota of 9,030 MT (milled). Under the latter, the United States sold 4,318 MT of No. 1 grade medium grains for table purpose and Pakistan sold 5,236 of No. 3 long grain brown rice for processing purpose.

Of note, Korea also purchased 1,000 MT of glutinous milled rice for processing purpose from the United States for the first time.

Additional details on the tender results are included in the table immediately following this report. The contracted price for U.S. #1 table rice was \$950/MT on average, up approximately 10 percent from the previous year in part due to a bullish international grain markets. U.S. #3 table rice was at \$908/MT, up 10 percent from the previous contracted price as well. Chinese #1 table rice prices 13 percent up to \$971 from the previous year while Thai #1 table rice prices fell to \$616 per MT, down 5 percent from the previous year, respectively.

Korea: Rice Contracts by Country, 2010 MMA (Unit: MT, Milled Basis)					
Country	Global Quota		CSQ		Total (%)
	Processing	Table	Processing	Table	
USA	39,325	4,318	23,857	26,219	93,719
China	42,411	0	50,603	65,556	158,570
Thailand	40,347	0	27,863	2,100	70,310
Pakistan	4,712	0	0	0	4,712
S.Total	126,795	4,318	102,323	93,875	327,311
G. Total	131,113		196,198		327,311

Source: Korea Agro-Fishery Corporation (aT)

Korea: Value of U.S. Rice Sales to Korea, 2010 MMA				
Contracts	Milled rice(MT)	Brown rice(MT)	Arrival unit price	Amount
			(\$/MT)	(\$)
1		5,556a/	676.00	3,755,856
2		20,000a/	736.00	14,720,000
3		17,028a/	758.00	12,907,224
4	13,597		928.00	12,618,016
5	2,622		908.00	2,380,776
6	1,000a/b/		1,120.00	1,120,000
7		21,508	812.00	17,464,496
8		5,000	809.89	4,049,450
9	10,000		975.00	9,750,000
10	4,318a/		958.00	4,136,644
total	31,537	69,092		82,902,462

Source: Korea Agro-Fishery Corporation (aT), totaling 93,719MT in milled basis.

a/ under the Global Quota

b/ Sweet rice for processing purpose

Korea: MMA Rice Allocations (MT, milled rice)							
Calendar Year	Total	Global Quota (MFN)	Country Specific Quota (CSQs)				
			Total	USA	China	Thailand	Australia
2005	225,575	20,347a/	205,228	50,076	116,159	29,963	9,030
2006	245,922	49,724b/	196,198	50,076	116,159	29,963	c/
2007	266,270	70,072d/	196,198	50,076	116,159	29,963	c/
2008	286,617	90,419e/	196,198	50,076	116,159	29,963	c/
2009	306,964	110,766f/	196,198	50,076	116,159	29,963	c/
2010	327,311	131,113g/	196,198	50,076	116,159	29,963	c/

Source: Ministry of Food, Agriculture, Forestry & Fisheries (MFAFF) and aT

a/ Global quota allocations: United States 6,104 MT; China 11,191 MT; and Thailand 3,052 MT.

b/ Global quota allocations: United States 13,025 MT; China 23,080 MT; and Thailand 13,619 MT.

c/ Australia CSQ allocation converted to MFN due inability to fulfill quota under drought conditions.

d/ Global quota allocations: United States 21,643MT; China 32,352MT; and Thailand 16,077 MT.

e/ Global quota allocations: United States 19,534MT; China 35,126MT; and Thailand 35,759 MT.

f/ Global quota allocations: United States 31,270MT; China 43,629MT; Thailand 30,347 MT; and Pakistan 5,520MT

g/ Global quota allocations: United States 43,643MT; China 42,411MT; Thailand 40,347 MT; and Pakistan 4,712MT

Korea: CSQ Table Rice Allocation (MT, Milled rice)					
	USA	China	Thailand	Australia	Total
2005	5,504	12,767	3,293	993	22,557
%	24.4	56.6	14.6	4.4	100
2006	10,414	21,500	1,000	1,515	34,429
%	30.3	62.4	2.9	4.4	100
2007	14,193	29,626	2,000	2,109a/	47,928
%	29.6	61.8	4.2	4.4	100
2008	18,989	39,292	2,000	2,774b/	63,055
%	30.1	62.3	3.2	4.4	100
2009	23,760	49,462	3,078 c/	3,510 b/	79,810
%	29.8	62.0	3.8	4.4	100
2010	26,219	65,556	2,100 c/	4,318a/	98,193
%	26.7	66.8	2.1	4.4	100

Source: MFAFF

a/ USA won the Australian CSQ allocation converted to MFN due inability to fulfill quota due to drought conditions.

b/ China won the Australian CSQ allocation converted to MFN due inability to fulfill quota due to drought conditions.

c/ included 90MT of Jasmin rice

Korea: Processing Rice Allocation Based on CSQ (MT, Milled rice)					
	USA	China	Thailand	Australia	Total
2005	44,572	103,392	26,670	8,037	182,671
%	24.4	56.6	14.6	4.4	100
2006	39,662	94,659	28,963	7,515	170,799
%	23.2	55.4	17	4.4	100
2007	35,883	86,533	27,963	6,921a/	157,300

%	22.8	55.0	17.8	4.4	100
2008	31,087	76,867	27,963	6,256a/b/	142,173
%	21.9	54.1	19.6	4.4	100
2009	26,316	66,697	26,885	5,520c/	125,418
%	21.0	53.2	21.4	4.4	100
2010	23,857	50,603	27,863	4,712c/	107,035
%	22.3	47.3	26.0	4.4	100

Source: MIFAFF

a/ Thailand won the Australian CSQ allocation converted to MFN due inability to fulfill quota due to drought conditions.

b/ broken rice

c/ Pakistan won the Australian CSQ allocation converted to MFN due inability to fulfill quota due to drought conditions.

Korea: Global Quota Allocation per Rice Variety (MT, Milled rice)							
	Medium Grain	Short Grain	Long Grain	Optional Variety	Others		Total
2005	6,104	11,192	3,052	na	na	na	20,347
%	30	55	15	na	na	na	100
2006	13,022	21,568	6,104	na	na	na	40,694
%	32	53	15	na	na	na	100
2007	19,534	32,351	9,156	na	na	na	61,041
%	32.0	53	15	na	na	na	100
2008	19,534	32,352	9,156	20,347a/	na	na	81,389
%	24.0	39.8	11.2	25.0	na	na	100
2009	31,270	40,119	9,000	na	20,347b/	1,000c/	101,736
%	30.7	39.4	8.9	na	20.0	1.0	100
2010	33,325	42,411	15,347	5,000d/	25,000b/	1,000c/	122,083
%	27.3	34.7	12.6	4.1	20.5	0.8	100

Source: MIFAFF

1/ MIFAFF introduced an optional variety allocation in the 2008 MMA in order to minimize outlays due to rising international grain prices.

a/ Optional Variety among medium, short and long grain

b/ Broken rice with an optional variety

c/ Sweet rice with an optional variety

d/ Optional Variety between medium and short grain

Korea: 2010 MMA Rice Tender Schedule and Results (Milled Rice, Metric Ton, as of 10/26/2010)							
No.	Bidding Date	Specs (contracted date)	Quantity, milled (brown)	Delivery (disport)	Origin (Awarded Price: US\$/MT)	Milling Type	Quota Type
1	9/14/10	SG #3 or MG #3 Optional (9/27/10)	5,000 (5,556)	By 3/31/11 Busan in container	676.00CIP from SM/ADM USA	Brown	Global
		MG #3 (9/27/10)	18,000 (20,000)	By 12/31/10 Gunsan	736.00CIP from SM/ADM USA		
		LG #3 (9/27/10)	9,000 (10,000)	By 11/30/10 Incheon	517.78 CIP from DW/Siam Indica Thailand		
2	9/28/10 10/26/10 12/6/10	SG #3 12/27/10	18,000 (20,000)	By 3/31/2011 Incheon (10,000) Masan (10,000)	865.00 CIP from DW/COFCO China		

	12/22/10	MG #3 (10/1/10)	15,325 (17,028)	By 2/28/2011 Kwang Yang	758.00 CIP from SM/ADM USA		
		LG #3 (10/1/10)	6,347 (7,052)	By 2/28/2011 Busan in container or Masan in bulk	517.78 CIP from DW/Siam Indica Thailand		
3	10/5/10 11/26/10 12/6/10 12/21/10 12/22/10	SG #1 12/27/10	29,334	By Jan-Jun 2011 Pyeongtaek Inchon	970.00 CIF from DW/COFCO China	Milled	CSQ
		MG# 12/24/10	10,000	By Jan-Jun 2011 Busan	958.00 CIF from DW/FRC USA		
		LG#1 (10/8/10)	2,010	By Jan/Mar 2011 Busan	616.11 CIF from DW/ Srimaitai Thailand		
		LG#1 (10/8/10)	90	By Jan 2011 Busan	1,229.45 CIF from DW/ Srimaitai Thailand		
4	10/19/10 11/26/10 12/6/10 12/21/10 12/22/10	SG #1 12/27/10	10,000	By 10/31/2011 Pyeongtaek/Inchon	975.00 CIF from SS/Jilin Grain China		
		SG #3 12/27/10	26,222	By 11/30/2011 Pyeongtaek/Inchon	960.00 CIF from DW/COFCO China		
		MG#1 (10/22/10)	13,597	By 11/30/2011 Busan	928.00 CIF from SM/ADM USA		
		MG#3 (10/22/10)	2,622	By 11/30/2011 Busan	908.00CIF from SM/ADM USA		
		MG#1 12/24/10	4,318	By 6/30/2011 Busan	958.00 CIF from DW/FRCUSA		Global
5	10/19/10 12/6/10 12/22/10	SG #3 12/27/10	24,411 (27,123)	By 2/28/2011 Inchon with 12,123 MT and Mokpo with 15,000 MT, respectively	865.00 CIP from DW/COFCO China	Brown	Global
		Broken Rice US #3 Brewer's Milled Rice (10/22/10)	25,000	By 3/31/2011 Inchon	467.85 CIP from DW/ Siam Indica Thailand	Milled	
6	10/26/10 11/26/10 12/8/10 12/21/10 12/24/10	MG #3 or SG #3 Glutinous Milled Rice Optional (10/29/10)	1,000	By 3/31/2011 Inchon/Busan	1,120 CIF from LG/FRC USA	Milled	Global
		SG #3 12/27/10	13,500 (15,000)	By 4/30/2011 Donghae	865.00 CIP from DW/COFCO China	Brown	CSQ
		SG #3 12/27/10	9,000 (10,000)	By 5/31/2011 Inchon	865.00 CIP from DW/COFCO China		
		MG#3 (10/29/10)	19,357 (21,508)	By 6/30/2011 Busan/Masan	812 CIP from SM/ADM USA		
		LG #3 (10/29/10)	13,500 (15,000)	By 2/28/2011 Donghae	504.85 CIP from Hyolim/Chiameng Thailand		
		LG #3 12/24/10	4,712 (5,236)	By 5/31/2011 Busan/Masan	523.33 CIP from SS/xxxx Pakistan		Global

7	10/29/10 11/26/10 12/8/10 12/21/10 12/24/10 12/29/10	SG #3 12/27/10	23,603 (26,226)	By 6/30/2011 Ulsan(15,000)& Kunsan(11,226)	975.00 CIF from SS/Jilin Grain China	Brown	CSQ
		SG #3 12/27/10	4,500 (5,000)	By 5/31/2011 Mokpo	865.00 CIP from DW/COFCO China		
		MG #3 12/29/10	4,500 (5,000)	By 6/30/2011 Busan or Masan	809.89 CIP from SS/Connell USA		
		LG #3 (11/5/10)	14,363 (15,959)	By 5/31/2011 Kunsan	505.08 CIP from Hyolim/Chiameng Thailand		
Total (Milled)			327,311				

Source: Korea Agro-Fishery Trade Corporation (aT)

Note: Milling rate for milled rice is applicable at 90 percent of brown rice, and vice versa.

LG denotes long grain, SG short grain and MG medium grain, respectively.

CIP: Carriage and insurance Paid to—Commodity + Ocean Freight + Insurance (about 0.33% of CNF) + Unloading Charge (about US\$20/MT) + Customs Clearance Fee (about one million Korean Won)

CFR: Cost and Freight— Commodity + Ocean Freight

CIF: Cost, Freight and Insurance

U.S. Table Rice Delivery Schedule Based on Contracts under 2010 MMA (Non-Glutinous Milled Rice Medium Grain, Metric Ton)				
Supplier	Contractual Quantity	Grade	Shipment	ETA Busan Port in 2011
FRC	10,000	U.S. No. 1	1,440	March
			3,600	April
			2,880	May
			2,080	June
	4,318		2,880	May
			1,438	June
ADM	13,597		3,200	August
			4,000	September
			3,200	October
			3,197	November
	2,622	U.S. No. 3	1,500	October
			1,122	November
Total	30,537		30,537	

Source: Korea Agro-Fishery Trade Corporation (aT)

Korea: Rice allocation per Country on the buying tender under MMA (Milled basis, MT)								
Calendar Year	MMA Quota	U.S.A.	China	Thailand	Australia	Vietnam	Pakistan	India
1995	51,307	0	0	0	0	0	0	51,307
1996	64,134	0	64,134	0	0	0	0	0
1997	76,961	0	58,961	18,000	0	0	0	0
1998	89,787	0	83,487	6,300	0	0	0	0
1999	102,614	0	80,114	13,500	0	9,000	0	0
2000	102,614	0	84,614	18,000	0	0	0	0
2001	128,268	27,000	63,000	18,000	20,268	0	0	0
2002	153,921	36,000	95,421	22,500	0	0	0	0
2003	179,575	49,500	103,075	27,000	0	0	0	0
2004	205,228	58,500	117,028	29,700	0	0	0	0
2005	225,575	56,179	127,351	33,015	9,030	0	0	0
2006	245,922	63,101	145,343	37,478	0	0	0	0

2007	266,270	71,719	148,511	46,040a/	0	0	0	0
2008	286,617	69,610	151,285	65,722	0	0	0	0
2009	306,964	81,346	159,788	60,310	0	0	5,520	0
2010	327,311	93,719	158,570	70,310	0	0	4,712	0
Total	2,813,068	606,674	1,640,682	419,835	29,298	9,000	10,232	51,307

Source: FAS/Seoul

a/ Thai suppliers delivered only 8,470 MT of the total contracted amount